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DD/Chief, D/I
File
7 May 1959

TO: Assistant Director for Research and Reports
FROM: Chief, Economic Research Area
SUBJECT: Activity Report for the Month of *April* March 1959

Current and Other Support Activities

Intra-Agency Support

1. In April ORR support for OCI involved preparation of articles dealing with the Chinese People's Congress, Bloc activities in the Middle East -- especially in relation to the anti-Communist campaign in the UAR, Soviet Bloc pressures on labor, new developments in Soviet Bloc agricultural organization and a wide variety of other miscellaneous subjects.
2. Support to the DD/I and the DCI involved contributions to briefings on bloc activities in the Middle East and the National People's Congress (CHICOM). Chief, M/FM, also briefed the DD/I on developments in the ferrous metallurgical industry of Communist China during the 1958 "Leap Forward" campaign and the prospects for 1962. M/FP provided support to the DD/I in connection with NSC action designed to reduce Western European dependence on Middle East petroleum.
3. Chief, I/GM, in conjunction with representatives from OSI and ONE, briefed the DDCI on current utilization of the services of the Radio Propaganda Branch, FBID, in propaganda analysis of Soviet statements regarding guided missiles. Several studies of this type were initiated a number of months ago at the request of I/GM, and the results have been most informative and useful. It is anticipated that a still broader use will be made of these services.
4. Intelligence support was rendered to DD/P on the following occasions:
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 - a. While in [redacted] on private travel. Mr. [redacted] (I/GM) devoted two working days to briefing DD/P field personnel on the guided missile intelligence problem and providing substantive guidance on related matters.
 - b. S/TR completed a special report, "Logistical Problems of the Tibetan Campaign," at the request of DD/P and is now readying it for issuance as an Intelligence Memorandum.
 - c. M/CH provided support to the DD/P in connection with a study of the Malayan rubber situation.

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d. Mr. [REDACTED] (I/GM) presented a lecture on the "Guided Missiles Weapons System Cycle", at the Clandestine Scientific and Technical Operations Course.

Inter-Agency Support

5. Watch Committee support dealt largely with Sino-Soviet Bloc activities in the Middle East, and with several reports alleging possible Soviet Bloc foreign purchasing in preparation for military action, Soviet Bloc civil defense preparation and miscellaneous reports on the logistic situation in East Germany.

6. During April Deputy Chief, D/A, and Deputy Chief, D/I, addressed the Strategic Intelligence School on Economic Intelligence.

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7. Mr. [REDACTED] S/CST, prepared a reference list on Sino-Sov Bloc civil defense for Colonel George B. Duncan, AF Scientific Advisory Board, [REDACTED]

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8. Information procured by I/A concerning production of a new type of Soviet jet fuel (T-4) was supplied to the Petroleum Intelligence Advisory Group, an informal group formed by the military services for the purpose of discussing significant technical developments in Soviet Bloc countries in the field of petroleum. As a result, the Air Force alerted the intelligence community to the fact that the USSR may be producing, or planning to produce, a heavy, thermally-stable fuel for supersonic aircraft. An item on this subject appeared in the Weekly Intelligence Review of the North American Defense Command, No. 14/59, on 3 April 1959, under the title "New Soviet Jet Fuel Possibly Tailored for Supersonic Aircraft."

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10. M/CH, M/FA, M/FP, and M/NF, completed and forwarded their contributions on "Estimated Production of Specified Industries in the Sino-Soviet Bloc, 1958". This project provides support to the Air Force and the air targets operation. The information furnished by ORR is fed into the 705 and 709 computers. In the future, Air Force proposes to supply a copy of the machine run for up-dating by ORR analysts. A preliminary meeting to iron out procedures and problems will be held in May or June.

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11. M/NF also provided [REDACTED] on aluminum and boron production in Communist China and to State Department on tin and copper production in Communist China.

12. Discussions were held between M/FP analysts and representatives of the Production Division of the Atomic Energy Commission on the subject of bills of materials for costing the Soviet Atomic Energy Program.

13. During the 1958 COCOM meetings at which the International Trade Control Lists were reviewed, it was provided that in the future the Lists should be reviewed annually. The EDAC community is now actively engaged in preparation for the 1959 review which will probably take place in October, and the major activity of S/TD during April has been, and will be in the coming months, directed toward intelligence support for this review. Intelligence will be required on new items or definitions recommended by EDAC Technical Task Groups which will meet on each category.

14. Members of the Population and Consumer Welfare Branch have reviewed the Foreign Manpower Research Office study entitled "The Labor Force of the Soviet Zone of Germany and the Soviet Section of Berlin." The Census Bureau plans to publish this study as P-90, No. 11, in its series of reports on international population statistics.

Research Planning and Program Development

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15. The Proposed [REDACTED] on the B-200 SAM Guidance and Control System was approved by the EIC and the Agency review authorities.

16. The Advisory Panel on Agriculture met in Washington, 14-17 April. They were briefed on the Activities of the Agriculture Branch during the past year, reviewed all Branch reports and contributions and conferred with ORR officials and members of the Branch on plans for the future. The panel strongly recommended that analysts in the Branch be brought up to date on latest developments in US agricultural research through field trips and temporary assignments to USDA and agricultural college research centers.

17. In April ERA forwarded a recommendation for the establishment of an ORR ELINT Committee to study the possibilities of employing ELINT source material to greater advantages in economic intelligence. The first meeting of this committee is to be held during early May to prepare ORR's contribution to the CIA statement of ELINT requirements, which is being written by the Agency ELINT Staff Officer.

18. The final draft of the Economic Research Area's Program for FY 1960 was forwarded to various components of the Agency for their comments.

Foreign Support and Liaison Activities

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19. Chief, Services Division, left for [REDACTED] on 9 April and is only now concluding work in technical and intelligence support of the US position on an embargo item involving France and the USSR. This support has taken him to [REDACTED] and has earned him the plaudits of the Department of State.

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20. M/NF prepared a detailed request for [REDACTED] ORR [REDACTED] on the possibility of obtaining detailed information on copper in the USSR through [REDACTED]

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USIB Exchange Program

22. The USIB Committee on Exchanges approved in principle the M/CH proposal for the organization of an exchange of US-USSR delegation in the field of the fluorine chemical industry. The request was evaluated and further measures to be undertaken were approved by the EIC Subcommittee on Chemicals.

23. Members of M/AG discussed the proposed USSR itineraries of the 1959 US Agricultural Delegations with the Secretary of the USIB Committee on Exchanges.

24. Members of M/FM provided support to the State/EWC in connection with an exchange in the fields of molybdenum, chrome, manganese and ferro-alloys that has been proposed to the Soviet Embassy.

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25. Mr. [REDACTED] is also representing the Agency in an inter-agency ad hoc Civil Air Committee which is considering questions associated with possible US-USSR exchanges in the field of civil aviation.

26. A memorandum was prepared for Secretary, USIB Committee on Exchanges, indicating I/PE's interest in exchanges recommended by the Soviet Union in the fields of agricultural machinery, power generating equipment, and precision instruments.

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27. Mr. [REDACTED] (I/EE) briefed the EIC Electronics and Telecommunications Subcommittee on the intelligence aspects of his recent visit to several [REDACTED]. He has been requested to provide a similar briefing to the Electronics Subcommittee of the Scientific Intelligence Committee. Mr. [REDACTED] is presently preparing his trip report and is participating in the preparation of a joint team report with other members of [REDACTED]. Returning from [REDACTED] Mr. [REDACTED] visited [REDACTED] where he discussed substantive points of common interest with [REDACTED] analysts, and reviewed with Mr. [REDACTED] the conclusions of the recently published report on the Soviet Electronics Industry.

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Orientation Tours

29. Deputy Chief, Economic Research Area, and a group of analysts from X/GM and M/CH participated in guided missiles orientation tours to Texas and the West Coast.

30. Several members of I/EE visited various communications and electronics installations in Washington, Baltimore, Philadelphia and New York, while Chief, I/EE, briefed the head of the [REDACTED] in New York.

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31. On 27 April, a group composed of seven members of M/FP, two of A/U, two of I/PE and one of S/CST, visited the [REDACTED]

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32. Deputy Chief, D/A, attended the Annual meeting of the Mid-West Economic Association between 16 and 18 April in St. Louis.

Miscellaneous

33. During April, Chief, Economic Research Area, addressed the Foreign Policy Clearing House and the [REDACTED] on the "Sino-Soviet Bloc Economic Offensive".

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34. At the initiative of [REDACTED] (I/GM), about 75 Agency personnel received a briefing on current programs for the Titan ICBM hard-base launch complex. The briefing was presented by Mr. [REDACTED]

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35. Dr. [REDACTED] (Ch/S) and Mr. [REDACTED] (EIC/S) conferred with Messrs. [REDACTED] and [REDACTED] and [REDACTED] of AFPCIN and Mr. [REDACTED] MD/OCR, on the use by CIA of an Air Force damage assessment model [REDACTED] and on the acquisition by CIA of current Air Force data for use in an emergency situation.

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36. A group of senior members of BRA attended an all-day briefing [REDACTED] on the Transac S-2000, a fully transistorized, high speed, general purpose data processing computer.

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37. The Semi-Annual Report to the President's Board of Consultants on Foreign Economic and Geographic Intelligence Activities was forwarded early in the month.

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